

## Land Conservation and Protection Options for Private Landowners

Climbing real estate prices and property tax assessments in recent years make it increasingly difficult for landowners to hold onto family woodlots. As a result, many landowners are forced to sell their property because of high taxes or other economic pressures. Several conservation strategies that are available to help landowners conserve precious green spaces also make economic sense for municipalities.

### Current Use Property Tax Programs

Maine's Current Use Tax programs include the Tree Growth Tax Law and the Farm and Open Space Tax Law. These programs help landowners retain ownership by assessing the land for current use (*e.g., growing trees or farming*) instead of for development potential. In many cases, the difference between taxes owed under current use assessment versus fair market is so great that current use assessment allows landowners to retain ownership of property they would otherwise not be able to keep. Municipalities are reimbursed by the state for the difference in tax revenue.

#### *Tree Growth Tax Law*

Any Maine landowner who owns ten or more acres of forested land is eligible to enroll in the Maine Tree Growth program if the land is classified as forest land. Under the program, landowners must manage the forest on a "commercial" basis. Since land is being valued on a forest land basis, tax savings may be substantial for the landowner.

While the valuation of the land is based on the productivity of that land for growing timber, each town uses its own tax rate to determine the amount of taxes owed on the property. The valuations per acre are set by the State Tax Assessor's office by county and are based on the value of timber sold in the county during the previous three years and on the locally determined rates of tree growth.

If timber harvesting is recommended by the licensed professional forester who drew up the forest management plan for the property, then harvesting is necessary to participate in the program. There are no requirements that a certain percentage of a woodlot be harvested annually, or that a minimum number of cords or board feet be harvested. If a recommended harvest is not con-

ducted, however, landowners participating in the program run the very real risk of having their land removed from Tree Growth Tax classification and paying a tax penalty that can be substantial.

For more information, contact the Maine Forest Service: 1-800-367-0223

#### *Farm and Open Space Tax Law*

The Farm and Open Space program allows for the valuation of land based on its current use as farmland or open space, rather than its potential fair market value.

#### *Farm Land*

Similar to the Tree Growth program, this law values farm land based on soil types, commodity values, farmland rentals, topography and other factors. The minimum size for enrollment is five contiguous acres and the land must be used for farming, agriculture, or horticultural activities, but woodlands may be included within the farm unit.

For more information, contact Maine Bureau of Revenue Services. (207) 287-2011

#### *Open Space*

The Open Space program reduces property taxes on properties that offer public benefit. Public benefits include preservation of scenic vistas, wildlife habitat protection, or public recreation. There are no minimum acreage requirements. Assessed values are reduced by set percentages depending upon the degree of permanent protection easements and the benefit to the municipality.

#### *Rate reductions:*

- ▶ Ordinary open space is eligible for a 20% reduction in assessed value.
- ▶ Permanently protected open space is eligible for an additional 30% reduction in assessed value, or 50% off the standard value.
- ▶ Forever wild open space is eligible for an additional 20% reduction in assessed value, or 70% off the standard value.
- ▶ Public access open space land is eligible for an additional 25% reduction in assessed value, or 95% off the standard value.

For more information, contact Maine Bureau of Revenue Services. (207) 287-2011

### Conservation Easements

Conservation easements allow landowners to permanently protect natural and scenic resources while retaining ownership and control of their properties. An easement is a legal agreement between a landowner and an easement holder (*such as a land trust*), that is tailored to fit a particular property. It is legally binding for the present landowner and all future owners, and is recorded in the county courthouse as a legal document. A key component of conservation easements is that the landowner retains ownership with the right to control and manage the property within the guidelines of the easement.

#### *Key Features of Conservation Easements:*

- ▶ Landowners often qualify for tax benefits.
- ▶ It is not a requirement to allow public access.
- ▶ Landowners retain the title to their property.
- ▶ Each easement is specifically tailored to reflect the conservation goals of the landowner and the holder of the easement.
- ▶ Conservation easements are given in perpetuity and become a permanent part of the title to the land, regardless of future ownership.
- ▶ Activities allowed depend on the landowner's wishes and the characteristics of the property.
- ▶ Conservation easements may be designed to cover all of the property or only a portion of it.

For more information, see the Additional Resources section at the back of this guide.

### Land for Maine's Future Program

The Land for Maine's Future (*LMF*) program was established when Maine voters approved a bond for purchasing lands for recreation and conservation purposes. The program allows for public acquisition of private land at fair market value in order to protect natural and recreation values. Lands that provide public access to water are a high priority in the program, but other lands are eligible. The land may either be purchased outright by the state, or development rights may be purchased and held in a conservation easement. Any individual, municipality, or group can submit a proposal to the LMF Board, but the proposal will only be considered if the landowner is willing to participate. Purchased LMF lands may be managed by the municipality under LMF program guidelines.

The LMF program also mandates the protection of farmland from development by purchasing development rights from farm owners. Individual farms may apply.

For more information, contact the Land for Maine's Future Program at (207) 287-3261, or on the internet at [www.state.me.us/spollmf](http://www.state.me.us/spollmf).